



# City of Belmont

## FY 2020 Proposed Budget Introduction

May 28, 2019

# Agenda

- **FY 2020 Budget Overview**
  - Budget Brief
    - Summary
    - Assumptions
    - Analysis
    - Obligations
    - Long Term Forecast
  - Department Budget Review
  - Capital Improvement Program
- **Next steps**

# Summary

# Summary (cont.)

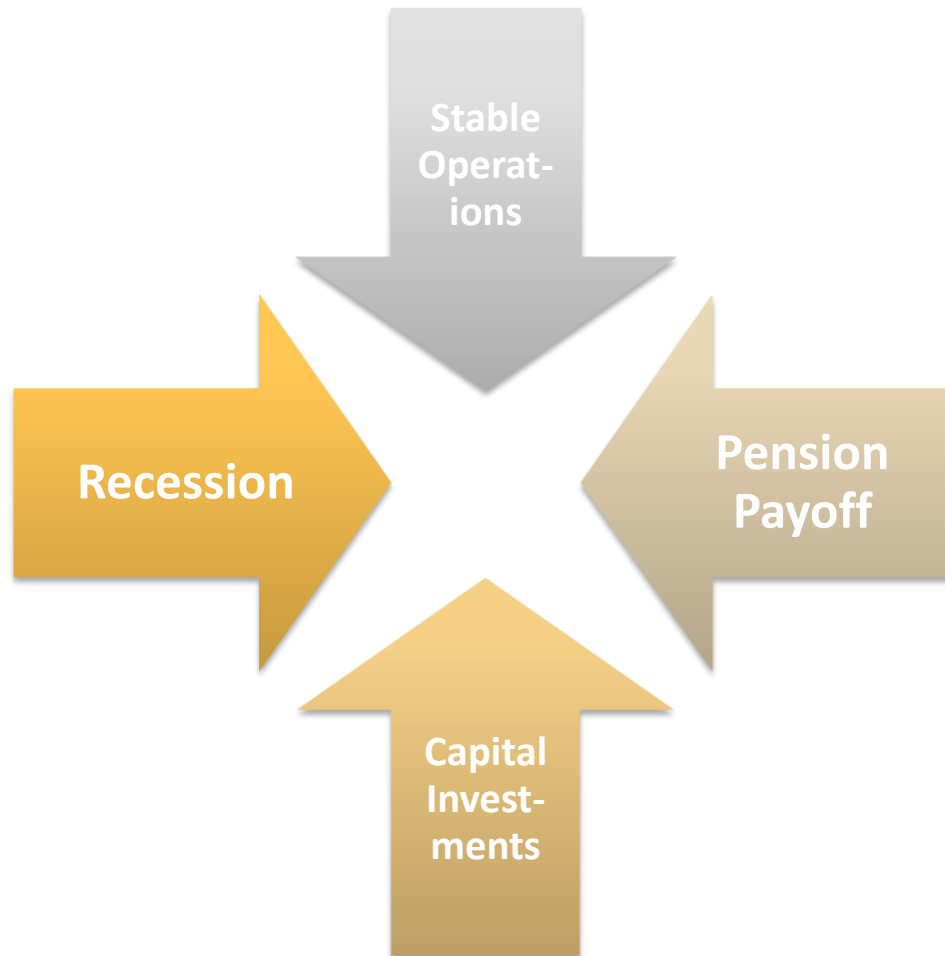
## Aesop's Fable *The Ant and the Grasshopper*



- Best to prepare for the days of necessity

# Summary (cont.)

- FY 2020 Proposed Budget is Balanced
- Near-Term Operations Stable and Substantial Investment in Capital
- Mid-Term Pressure From Recession and Pension Obligation Payoff



# Summary (cont.)

## ■ Budget Focus

- Providing Core Services
- Repairing Worn Infrastructure
- Addressing Pension Liabilities
- Saving for the Future-Difficult Times

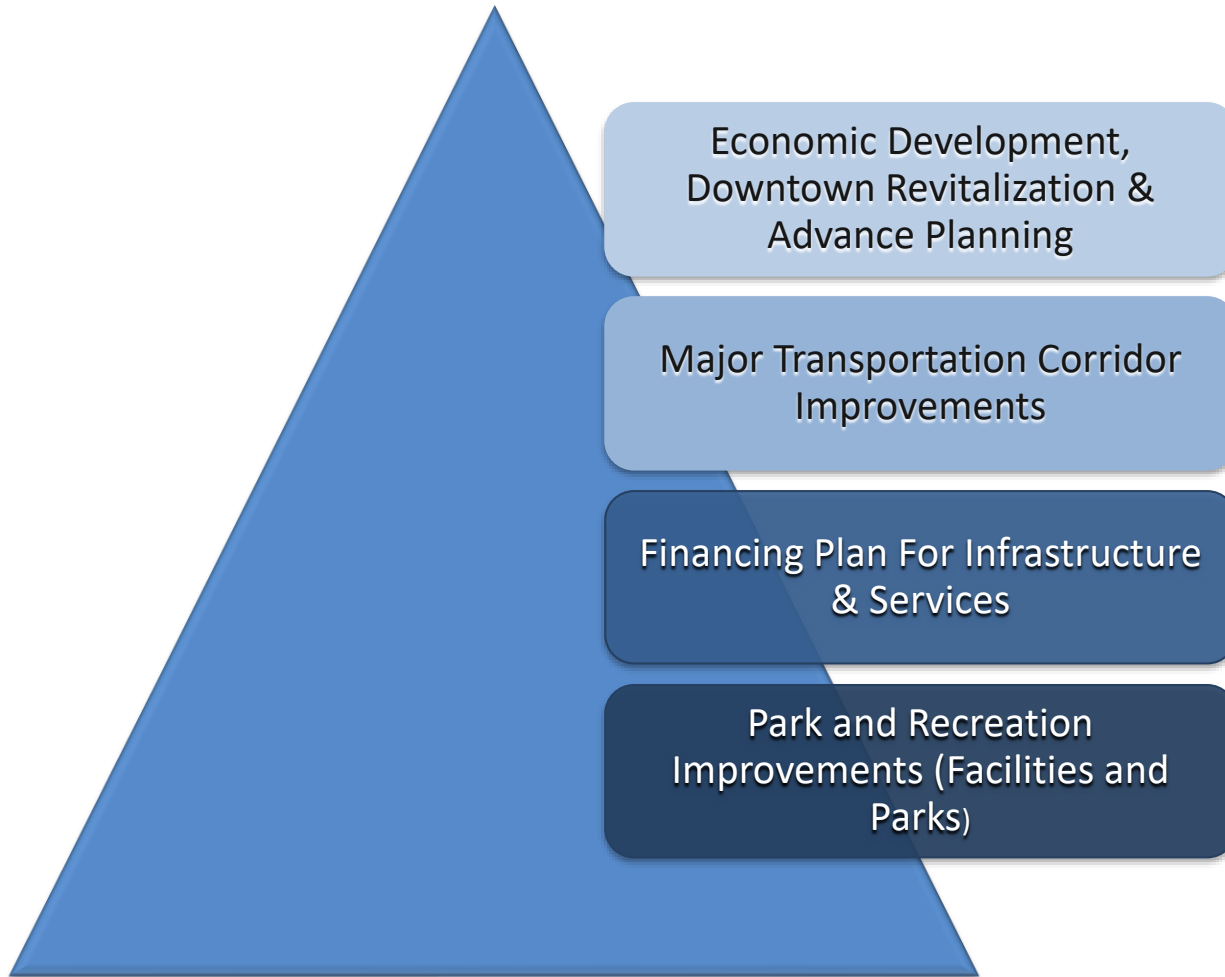
## ■ Addressing Our Quality of Life

- Additional Resources for
  - Community Development
  - Recreation
  - Community Engagement
  - Placemaking
  - Economic Development
  - Housing
- Aspire to Thrive as an Organization



# Summary (cont.)

- Focusing on the Community's Top Priorities





# Summary (cont.)

## ■ Aging Infrastructure Dilemma

### ■ Citywide Deferred Maintenance Backlog

- \$113M in Street & Storm Drain Infrastructure Needs
- \$54M in Deferred Maintenance for Facilities & Parks

### ■ Notable CIP

- Measure I: \$2.2M to Streets; \$0.6M to Storm Drain
- Measure A: \$4.4M
- RMRA: \$0.9M
- Storm Drainage, Facilities, & Parks Budget: \$7.7M
- Sewer Capital: \$11M
- Fleet, Equipment: \$0.5M

### ■ General Fund Investments in Capital

- General Facilities replenished to \$1M
- Infrastructure Fund replenished to \$2M
- Augment Street Maintenance by \$0.8M
- Augment Storm Drainage by \$1.7M



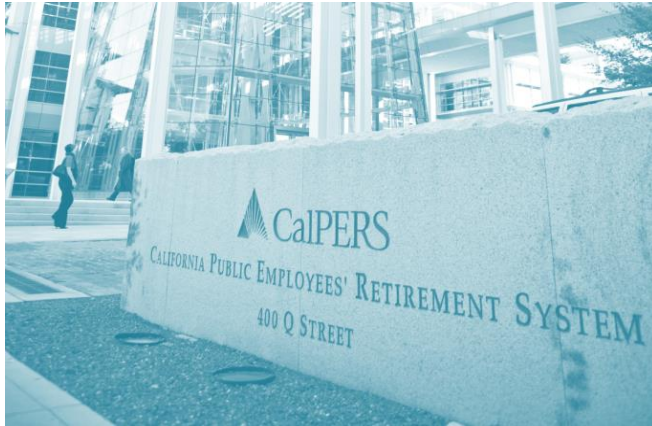


# Summary (cont.)

- Responsible Fiscal Management & Use of Excess Reserves
  - Prudent Fiscal Management
    - Cost Control
    - Lean Organization
    - Shared Services
  - Prepare Balance Budgets
    - Stable Reserve Levels Throughout Forecast
    - Above the \$5M Minimum Reserve Requirement and above 33% Reserve Target for all years
    - FY 2024 Projected Fund Balance is expected to be \$10M, or \$1.5M above the reserve target amount
  - Includes \$250K Contingency Reserve



# Summary (cont.)



## ■ Staffing Plan & Pension Obligation

- City: 134.72 permanent FTE
- Total 1.58 FTE decrease
  - San Mateo Consolidated Fire Department
  - Change to Appointive Positions
  - Alignments to Support Council's Highest Priorities
- CalPERS five-year ramp-up and \$0.9M ADP
  - 0.6% for Safety (Tier 2)
  - 9.0% for Miscellaneous Classic (Tier I) Plan



## ■ Local Funds & Sacramento

- Still possible State Budget could negatively impact City – SB1 \$ link to Housing

# Summary (cont.)

## ■ Belmont Fire Protection District

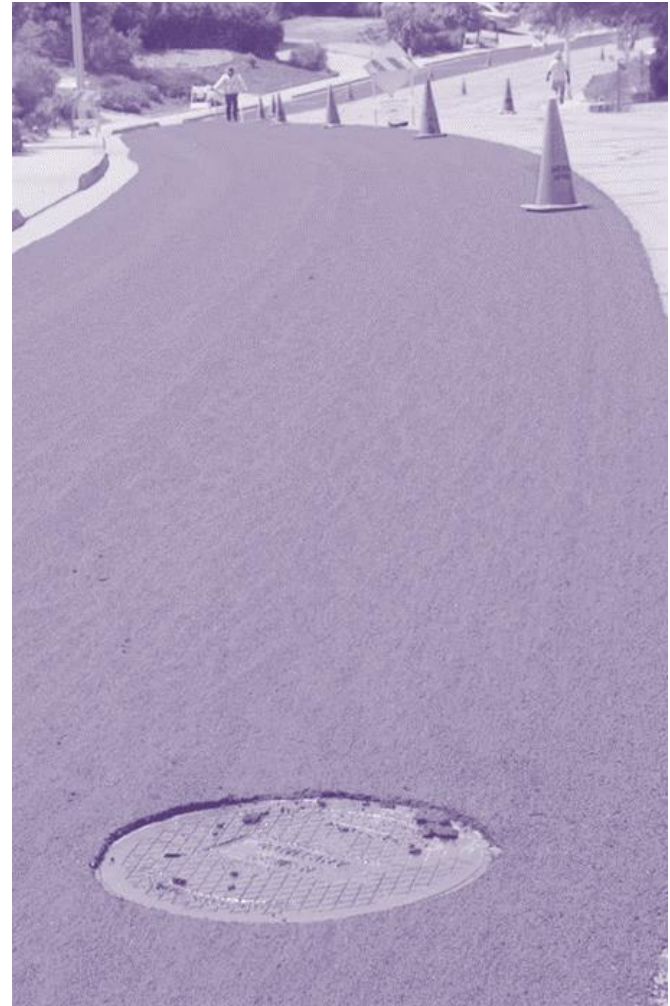
- Budget assumes new service delivery model through San Mateo Consolidated Fire
- District benefits from improved property tax and operational savings
- \$8.9M unrestricted fund balance, exclusive of reserve set-aside
- \$5M reserve set-aside, rising to \$11.25M + inflation in FY 2024 for new fire station
- Five-Year forecast predicts stable reserves at levels above 33% operating target



# Summary (cont.)

## ■ Conclusions

- Balance budget within policy guidelines
- Commitment to responsible fiscal management, builds on legacy of success
- Advances Council's highest priorities
- Budget is resilient to needs of the community and invests heavily in repairing infrastructure
- While there will be challenges ahead, as told by Aesop's *The Ant and the Grasshopper*, it does look promising for Belmont



# Assumptions

## Demographics

- Inflation: 2.9% and falling for the region
- Office Vacancy: 4.04% and improving for the City
- Unemployment: 2% and declining for County

## Revenues

- Revenues: Continued moderate growth on flat base with most key categories
- Property taxes: 5.4% for Belmont (Long term -1% to 3%) and 6.7% for the Belmont Fire Protection District (Long term 3%)
- Sales Tax: 0.4% decrease for Belmont (Long term -1% to 3%)
- Interest rates: 3.0% for investments (Long term rising, flat on assets)

## Operations and Capital Improvements

- Personnel costs: 3-3.5% for entire projection
- PERS costs: 29.33% for Miscellaneous Classic; 80.03% for Safety Classic (Long term increase 9.08% Miscellaneous; decrease 2.68% Safety)
- Supplies and services costs: 3% growth with exceptions for fuels, utilities, insurance, etc.
- FY 2020 CIP \$27.3M allocated

# City Budget Policies

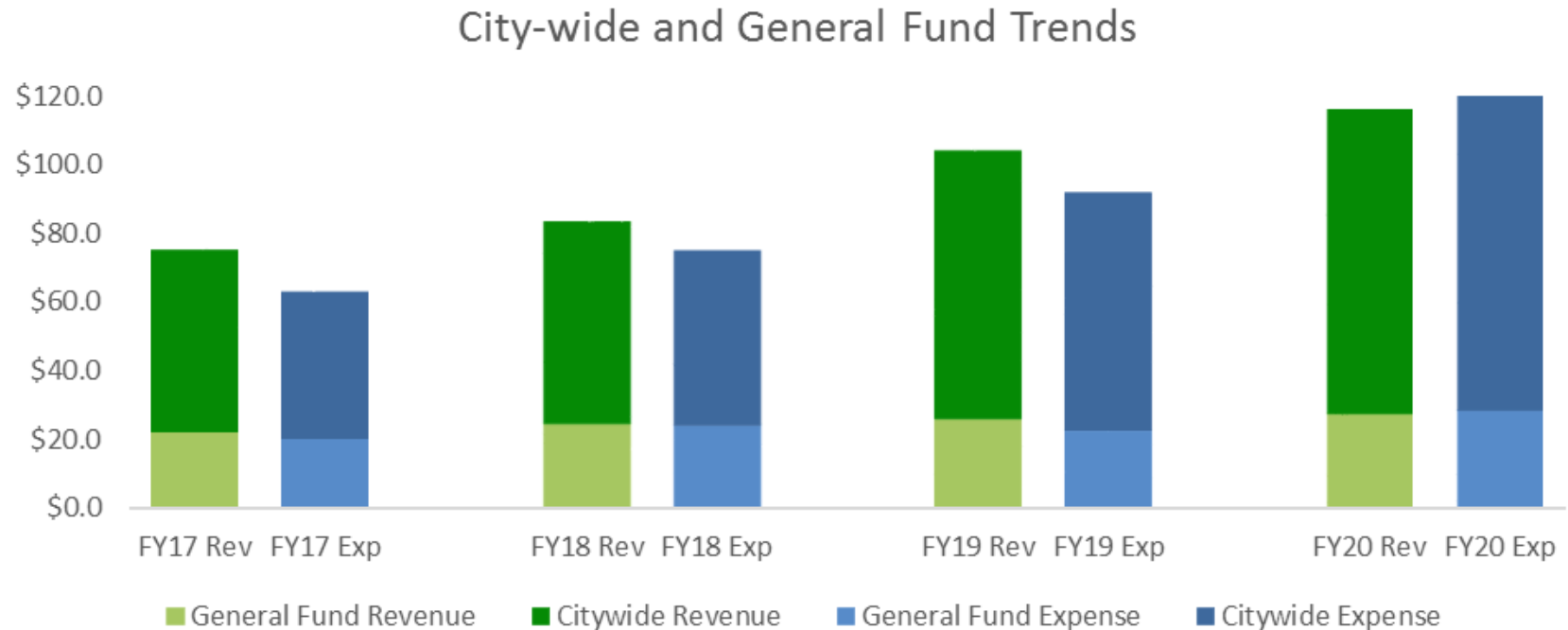
Policy	Complies	
	Yes	No
Balanced Budget	✓	
General Fund Reserve Target	✓	
Belmont Fire Reserve Target	✓	
Contingency	✓	
Fees	✓	

# Analysis

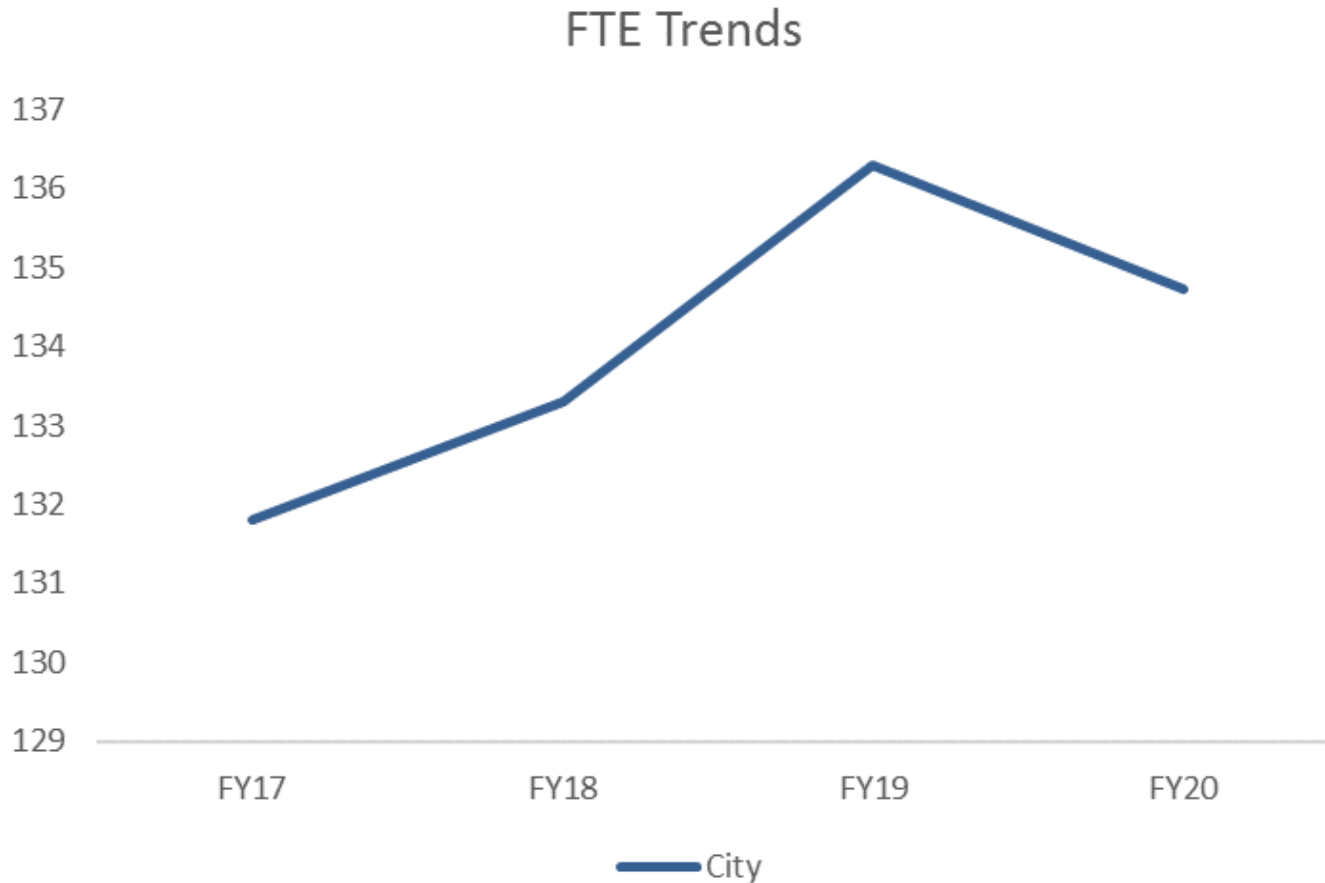


# Total City Revenues and Expenditure Trends

(in Millions)



# Staffing Trends

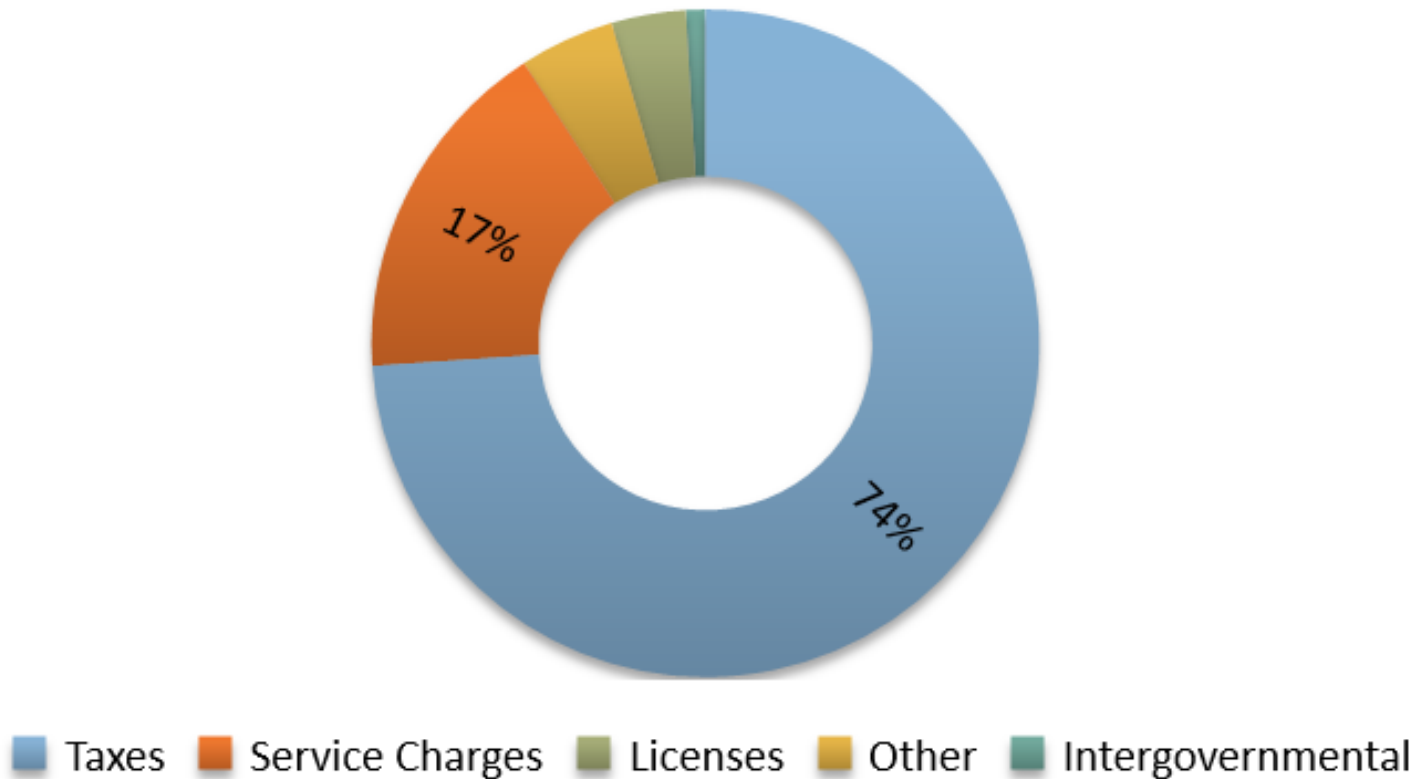


- Fire positions now in San Mateo Consolidated Fire Department
- Reflects change to elected City Clerk and City Treasurer

# General Fund Revenues

## \$27.3M

### General Fund Sources



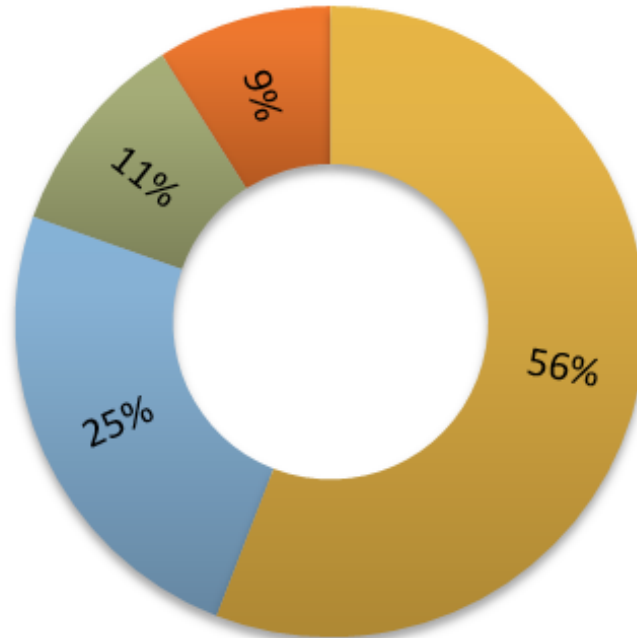
Note: chart includes Measure I

# General Fund Expenditures

## \$28.1M

### (including \$5M transfers)

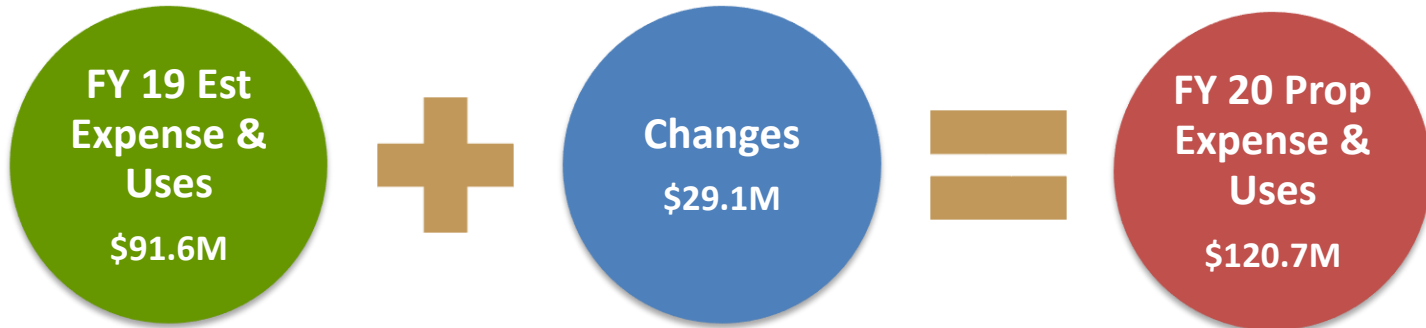
General Fund Uses



■ General Government ■ Culture and Recreation ■ Highways and Streets ■ Public Safety

Note: chart includes Measure I

# Major Changes



Changes	Amount
Street Improvement	\$5.6M
Belmont Fire Protection District	-2.8M
Development Services	0.9M
Inclusionary Housing	3.1M
Capital Project Funds other than Streets, Sewers and Storm	5.3M
Sewer and Storms	7.6M
Benefit Prefunding-CalPERS ADP	0.9M
Transfers & Other	<u>8.5M</u>
<b>Total</b>	<b>\$29.1 M</b>

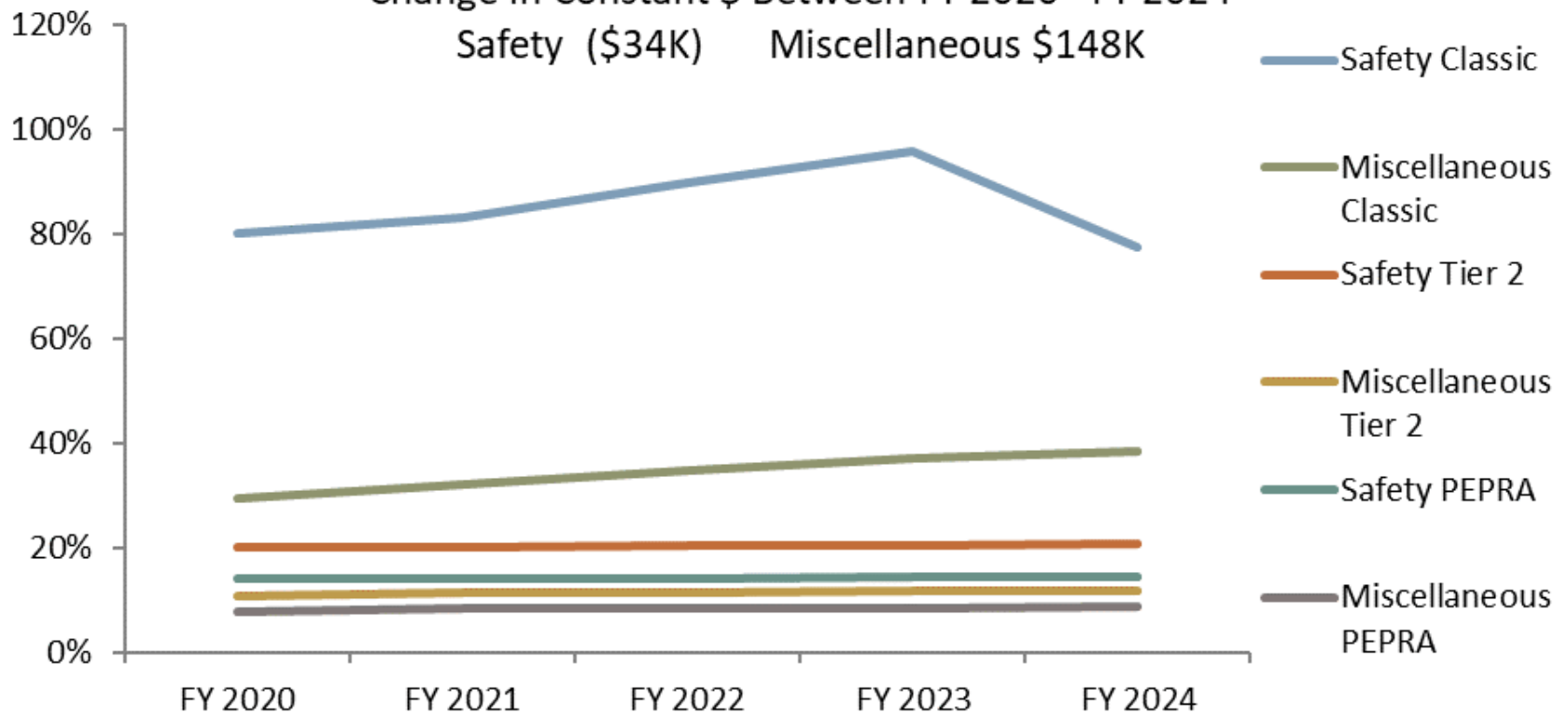
# Obligations

# Projected PERS Rate Increases

## Projected PERS Rate Increases (Decreases), Excluding Impact of Additional Discretionary Payment

Change in Constant \$ Between FY 2020 - FY 2024

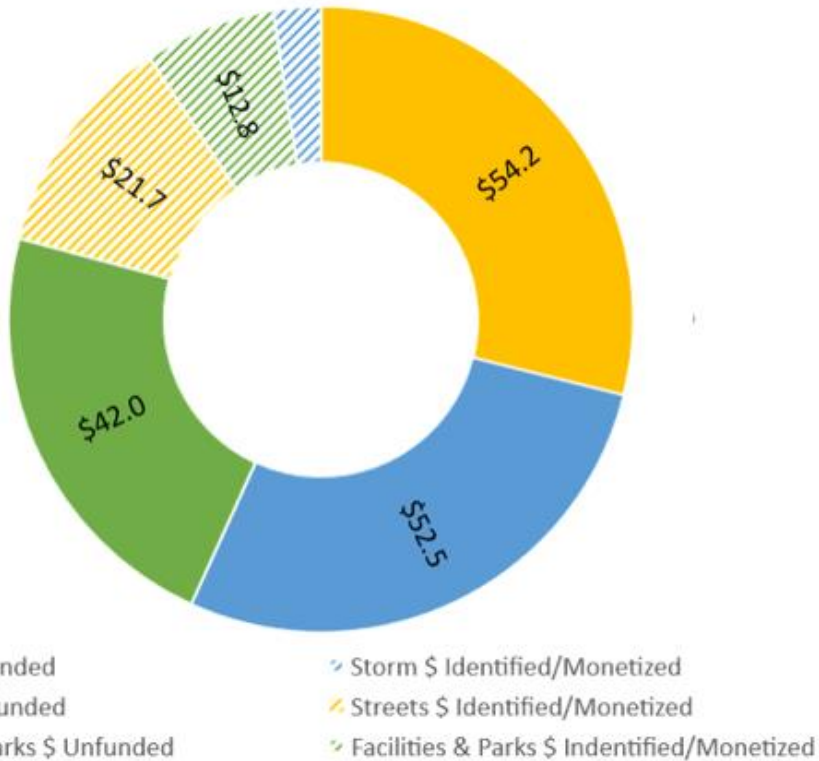
Safety (\$34K)      Miscellaneous \$148K



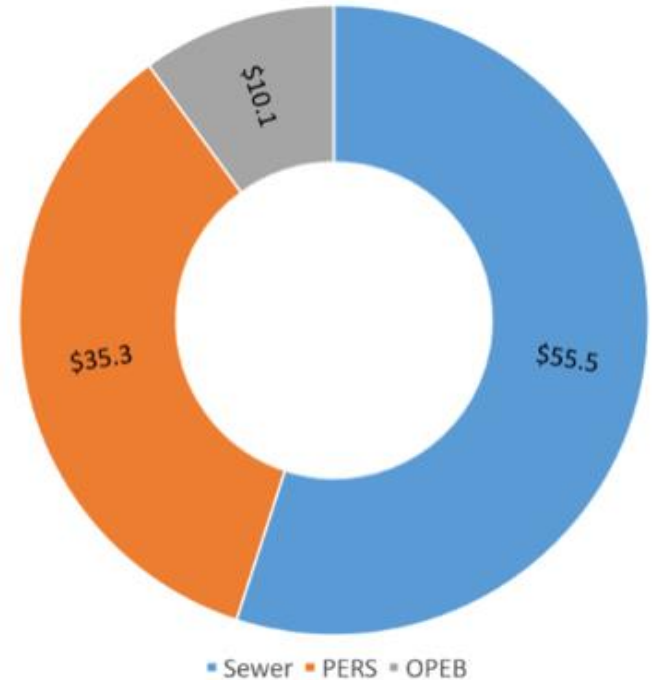


# Capital and Retirement Obligations

## Partially Funded Obligations



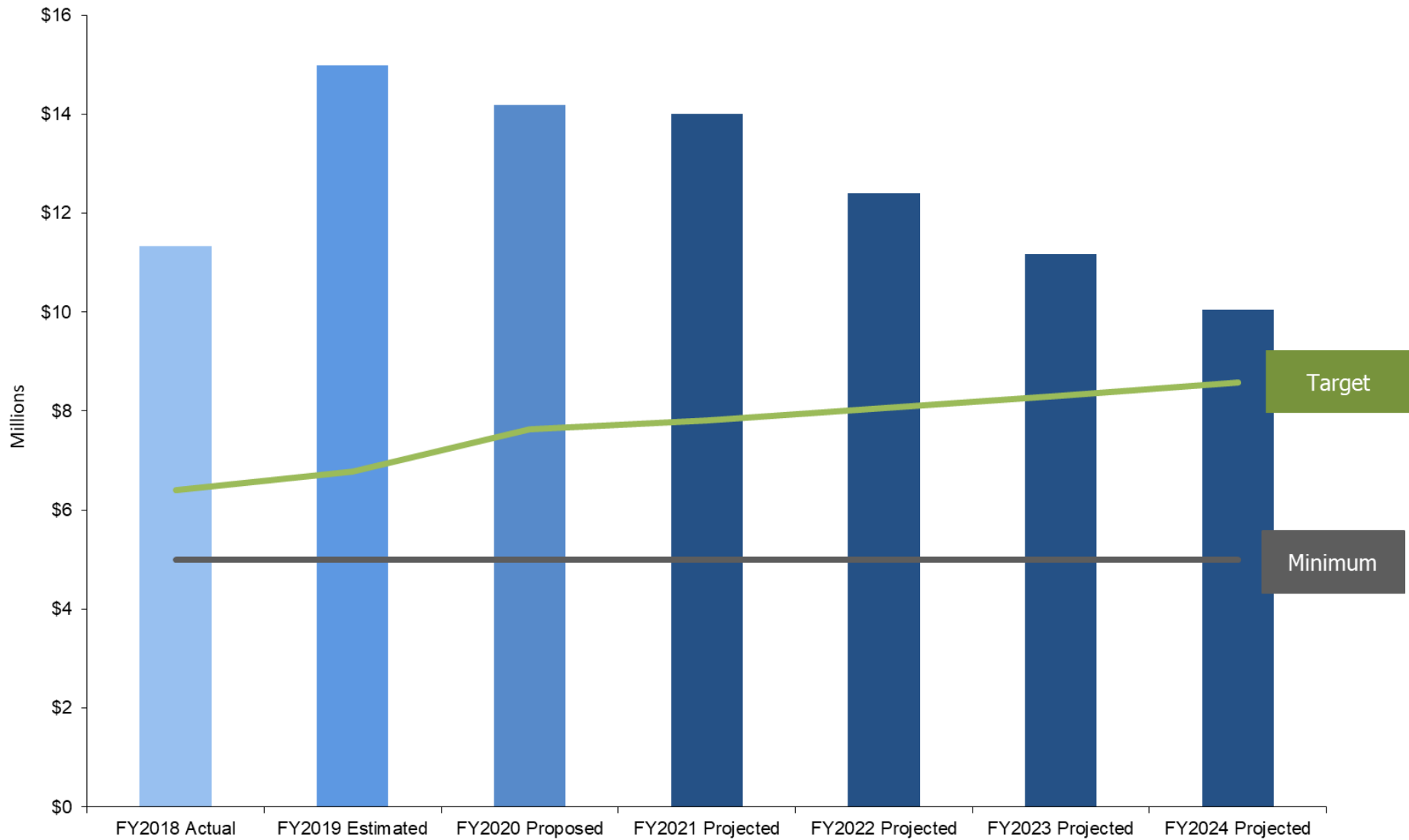
## Funded Obligations



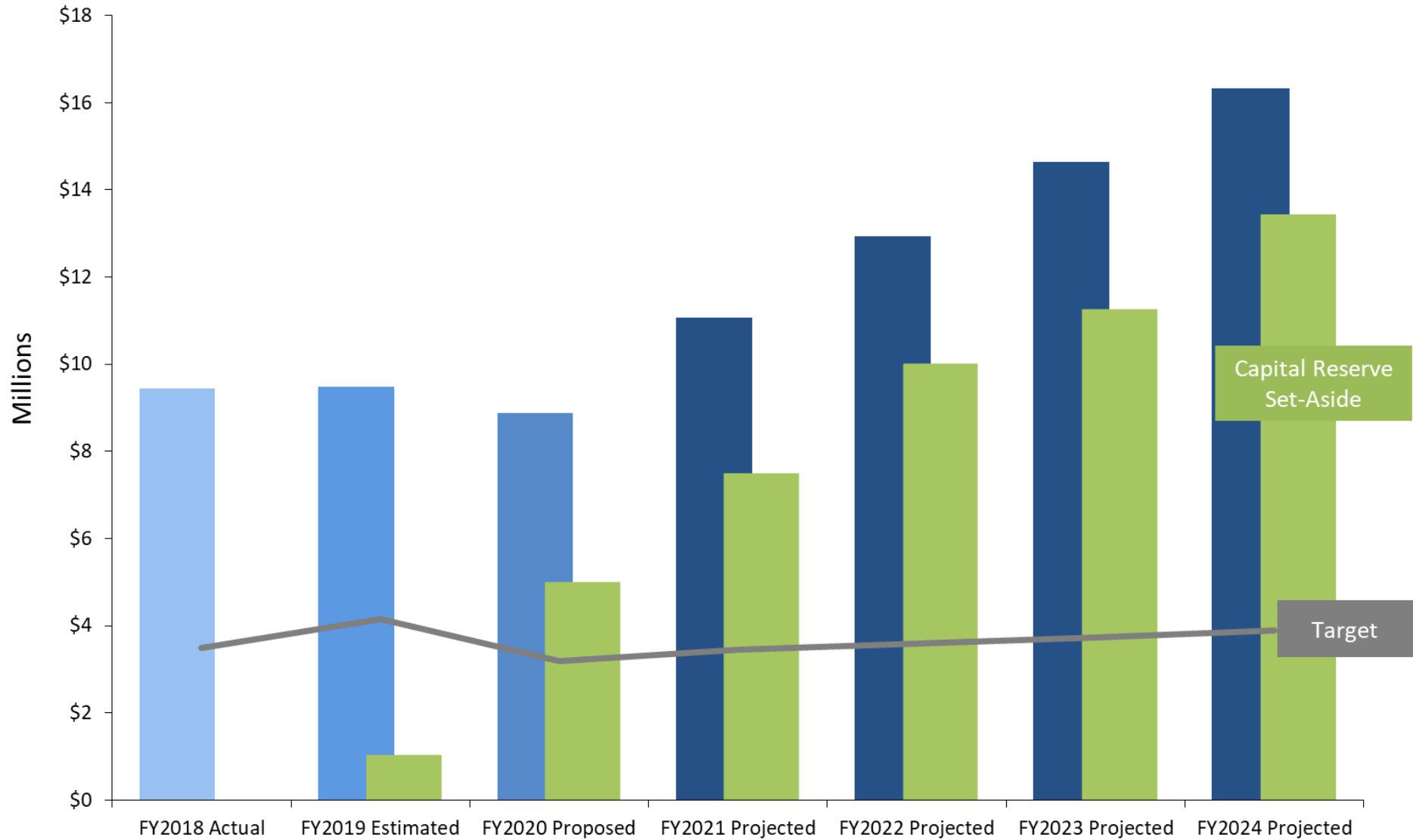
**Forecast**

# City of Belmont

## General Fund Balance - 7 Yr Trends & Projections



# Belmont Fire Protection District Fund Balance - 7 Yr Trends & Projections



# Department Budget Review

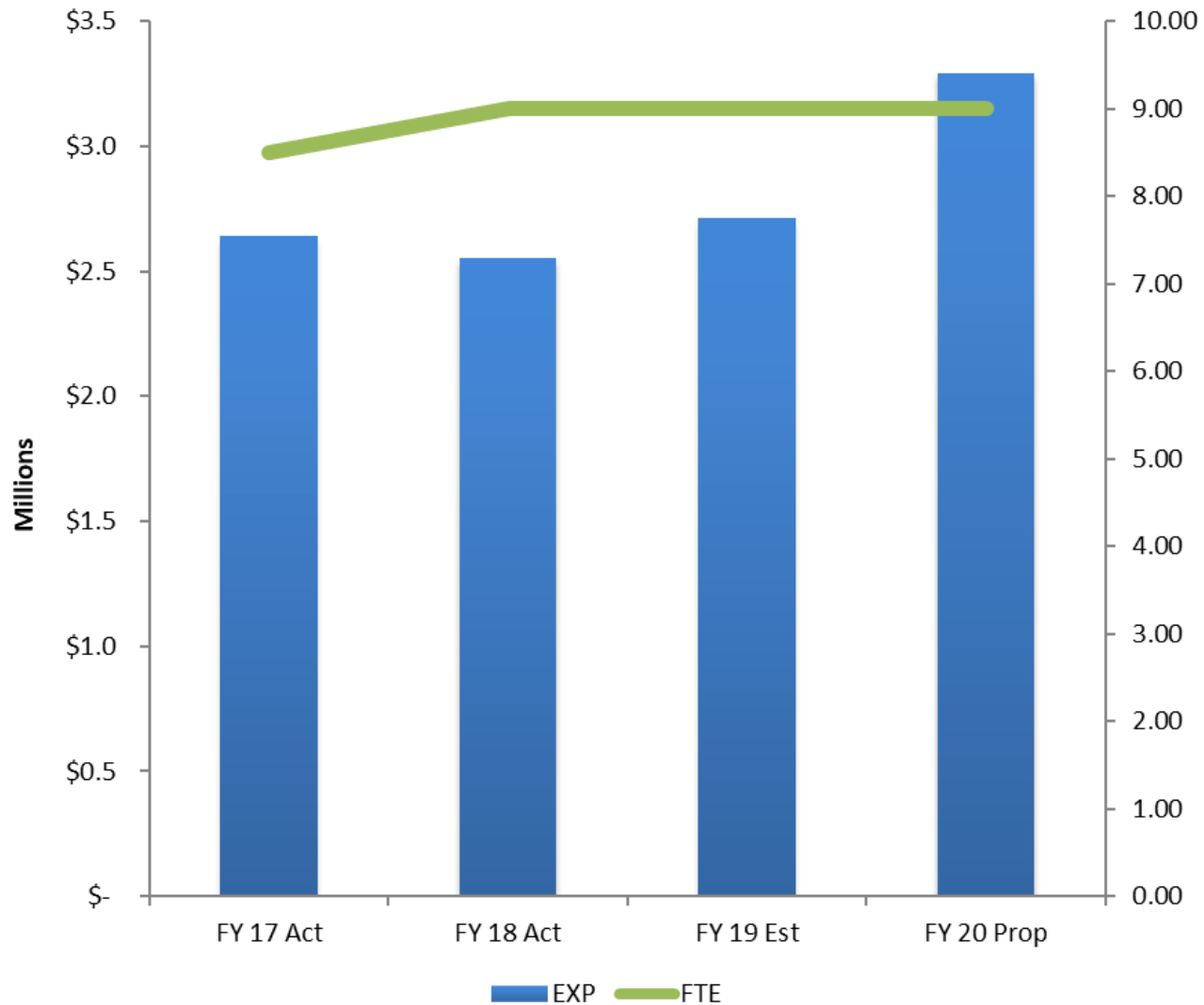
- Community Development Department
- Police Department
- Parks & Recreation Department
- Public Works Department
- Administrative Departments

# Department Budget Review

## Community Development Department

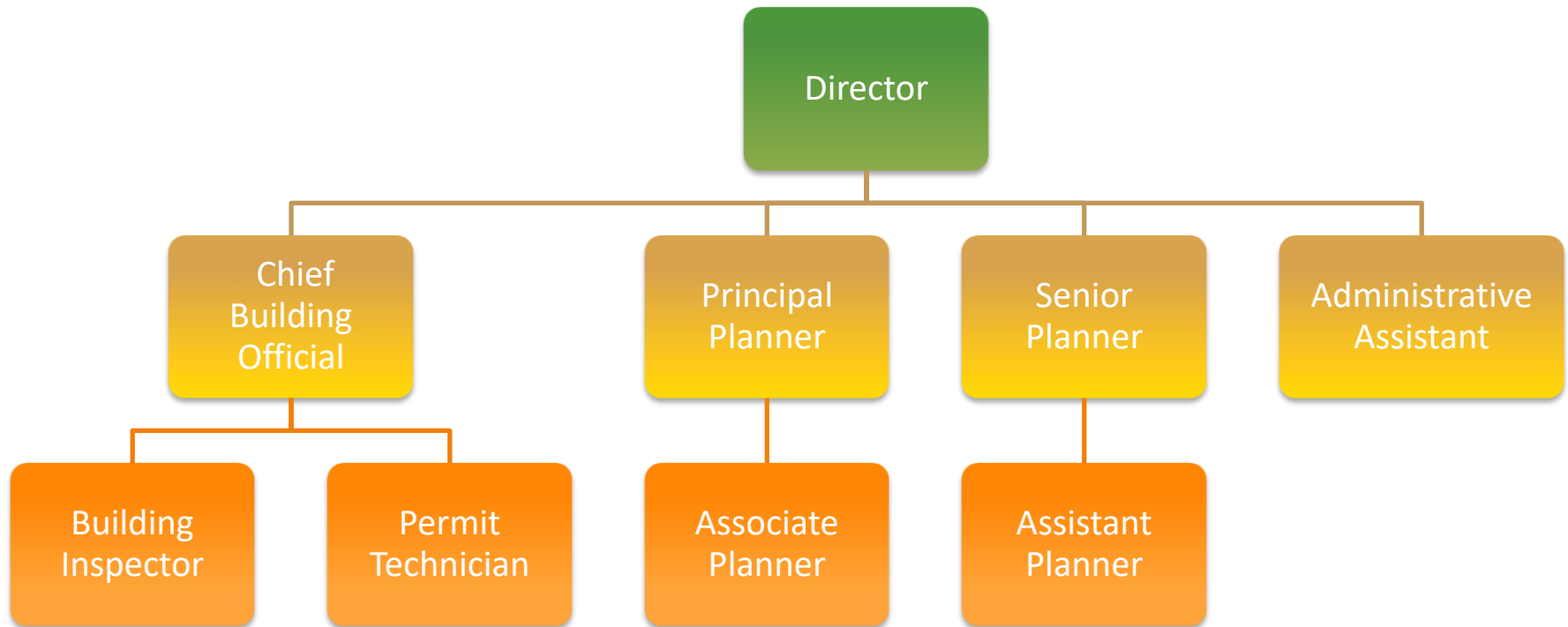
# Community Development Department

## Total Expenditures & Staffing Trends





# Community Development Department



# Community Development Department

## Key Responsibilities

### Planning

- Long Range Planning
- Economic Development
- General Plan & BVSP & Climate Action Plan Implementation

### Development

- Development Review
- Planning/ Zoning
- Business License Review
- Public Information

### Permitting

- Building Permits
- Plan Review
- Inspections
- Fire Plan Review
- Fire Inspections
- Public Information

# Community Development Department

## Contribution to City Council Priorities

- 2035 General Plan Implementation
- Belmont Village Specific Plan (BVSP) Implementation
- Climate Action Plan Implementation
- Sustainability Objectives
- Single Family Home & Tree Regulation Updates (Ongoing Enhancements)
- Wireless Ordinance Amendments
- Sign Ordinance Amendments
- Placemaking Initiatives

# Community Development Department

## Major Accomplishments

- ✓ 2035 General Plan & Phase I Zoning – Adopted November 2017
- ✓ Belmont Village Specific Plan (BVSP) & Belmont Village Zoning (BVZ) – Adopted November 2017
- ✓ Climate Action Plan (CAP) – Adopted November 2017
- ✓ Single Family Home & Tree Regulations – Implementation Actions

# Community Development Department

## Objectives



Develop Target Sites



2035 General Plan  
Implementation



Single Family Home & Tree  
Regulation Process  
Enhancements



Belmont Village Specific  
Plan (BVSP)  
Implementation



Climate Action Plan (CAP)  
Implementation &  
Sustainability Objectives



Wireless Ordinance  
Amendments

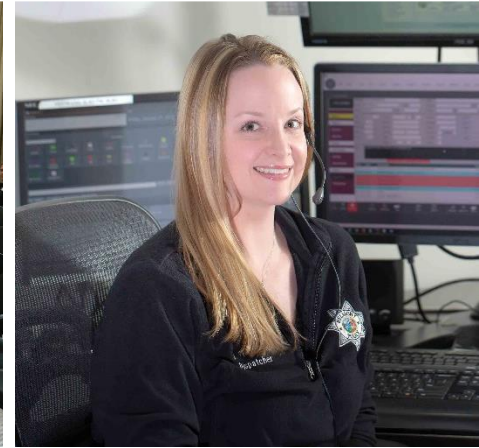


Sign Ordinance  
Amendments



Placemaking Initiatives

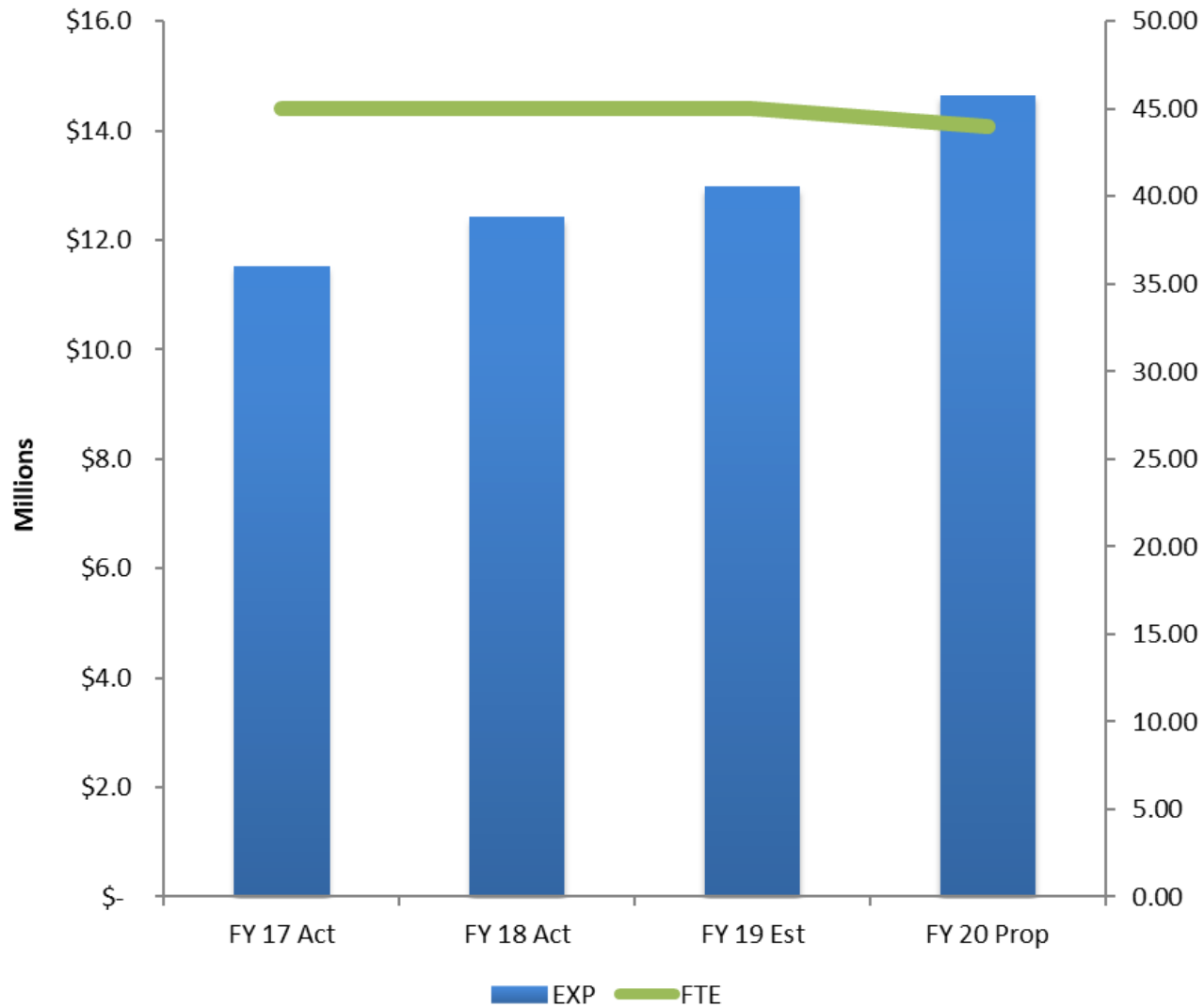
# Department Budget Review



**Police Department**

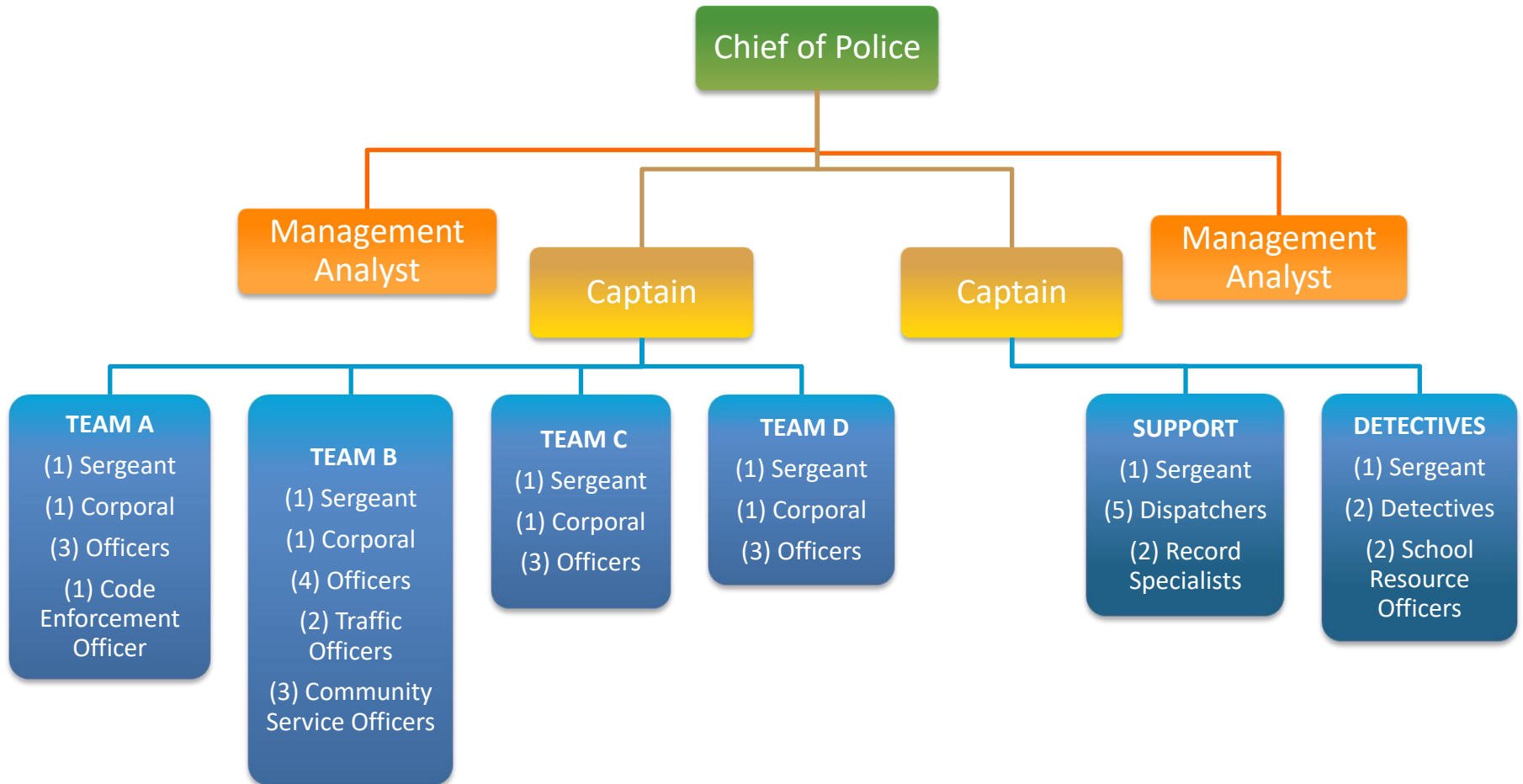
# Police Department

## Total Expenditures & Staffing Trends





# Police Department



# Police Department

## Key Responsibilities

### Crime Control

- Reduce crime and maintain order in the community

### Traffic

- Facilitate a safe and orderly flow of traffic to minimize collisions and injuries

### Support

- Support the delivery of effective core police services

# Police Department

## Major Accomplishments

- ✓ Reduced Property Crime Rates
- ✓ Updated Officer Recruitment & Retention Strategies
- ✓ Social Media (Twitter, YouTube, Nextdoor)
- ✓ Upgraded Officer Worn Video
- ✓ Made nearly 400 arrests
- ✓ Responded to over 25,500 calls for service
- ✓ Investigated over 300 vehicle collisions

# Police Department

## Objectives



Personnel Retention and Recruitment



Community Partnerships



Personnel Development and Training



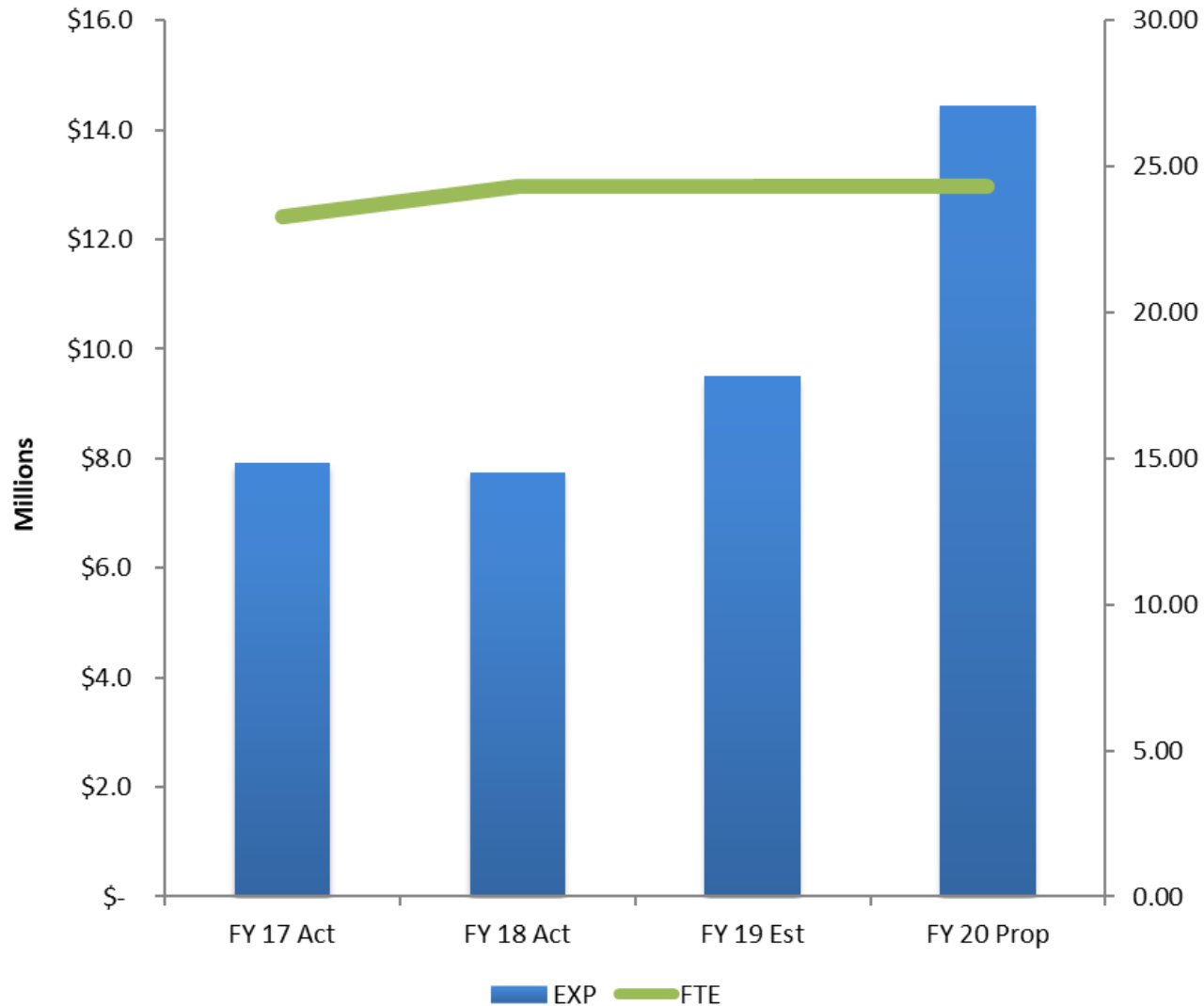
Executive Team Staffing

# **Department Budget Review**

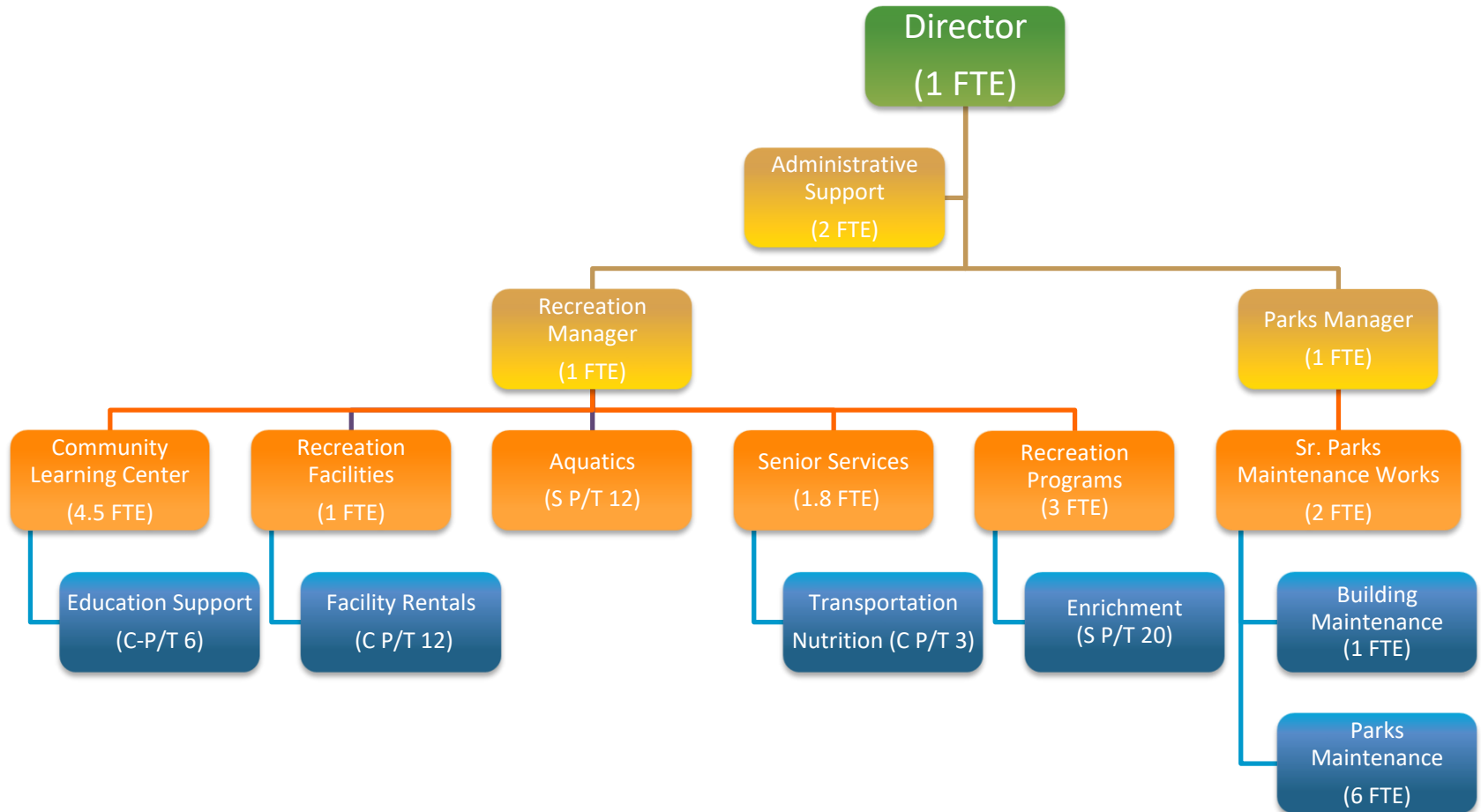
## **Parks & Recreation Department**

# Parks & Recreation Department

## Total Expenditures & Staffing Trends



# Parks & Recreation Department



*"Enhancing the quality of life for the community"*

# Parks & Recreation Department

## Key Responsibilities – Parks & Facilities

### Buildings

- Over 160,000 square feet and 22 public buildings
- Capital Projects for building maintenance and repair

### Parks & Medians

- 16 developed parks
- Medians throughout Belmont
- Rights of Way
- Tree Management & Permitting
- Placemaking
- Capital Projects

### Athletic Fields

- 11 Athletic Fields (7 City, 4 School District)
- Maintenance, improvement and repair of the turf, irrigation, and amenities
- Capital Project

### Open Space

- 335 Acres
- Trail maintenance, improvement, and repair
- Fuel Mitigation



# Parks & Recreation Department

## Key Responsibilities – Recreation

### Youth

- Recreation & Enrichment Classes, Camps and Aquatics
- Belmont Community Learning Center Pre-School at Barrett
- Field Scheduling for Youth Sports- City, School District Fields & CSUS

### Teens

- VOICES Program in partnership with Belmont Library
- Teen Zone homework center and drop-in at Barrett
- Youth Advisory Council

### Adults & Seniors

- Recreation & Enrichment Classes
- Twin Pines Senior and Community Center Programs, Activities & Events
- Senior Nutrition and Shuttle Program

### Community

- Partnerships, Agreements, & Marketing
- Facility Rentals
- Special Events

# Parks & Recreation Department

## Contribution to City Council Priorities

- Athletic Field Improvements
- Belmont Community Center Master Plan
- Twin Pines Park Master Plan
- ADA Transition Plan (in Coordination with other Departments)
- Public Art and Placemaking

# Parks & Recreation Department

## Major Accomplishments

### Parks & Facilities:

- ✓ Belmont Sports Complex Improvement Design
- ✓ O'Donnell Park Construction
- ✓ Belmont Community Center Conceptual Design (underway)
- ✓ Twin Pines Master Plan
- ✓ Open Space Trail Maintenance
- ✓ Volunteer Projects at Twin Pines, Barrett & Water Dog Lake
- ✓ Old Emmett House Plaza
- ✓ Utility Box Art Program
- ✓ City Hall Roof Replacement
- ✓ IT Closet Cooling System
- ✓ Maintenance Management Process Improvements

### Recreation:

- ✓ Increased Revenues/ Participation in Recreation Programs
- ✓ Successful community events, e.g., Sweetheart Dance, Egg Hunt, Fishing Program, Senior Showcase, Holiday Craft Faire
- ✓ Poet Laureate Program
- ✓ Special Event Management for Festivals
- ✓ Youth and Teen Grant, Programming and Staffing
- ✓ Facility Rental Reservation System Online

# Parks & Recreation Department

## Objectives

### Near Term



Complete Construction of O'Donnell Park Playground



Expand Teen Services to Include Health & Wellness



Finalize Design & Funding for Sports Complex North Field Synthetic Turf Project



Complete Belmont Community Center Conceptual Design

### Mid Term



City Hall and Senior Center Maintenance Projects



Advance Community Center Design and Funding



Submit Prop 68 Grant Applications for Park Improvements



Park, Open Space, and Recreation Master Plan

### Long Term



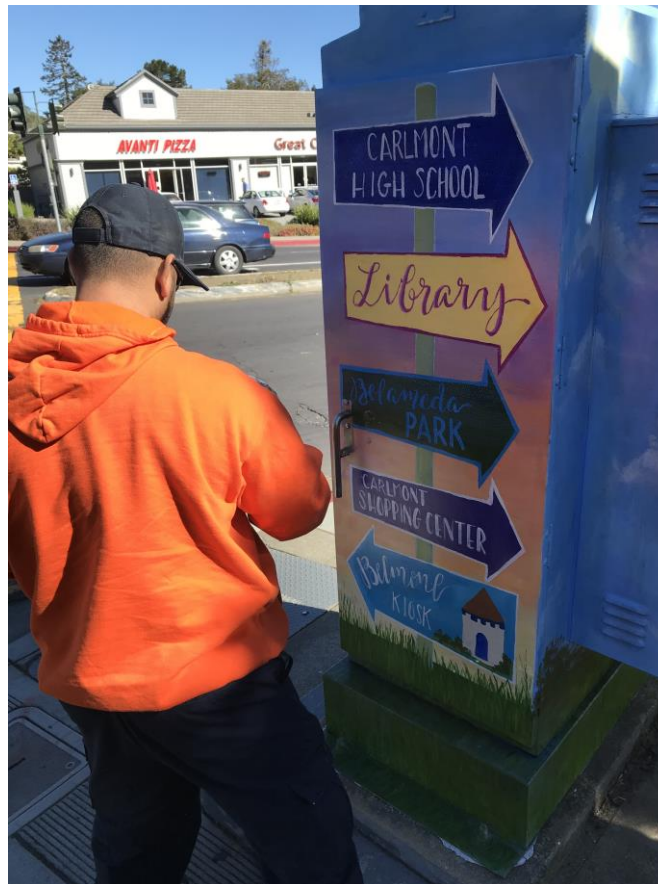
Implement Phase 1 Action Items from Twin Pines Master Plan



Develop Sports Offerings Upon BSC Turf Project Completion

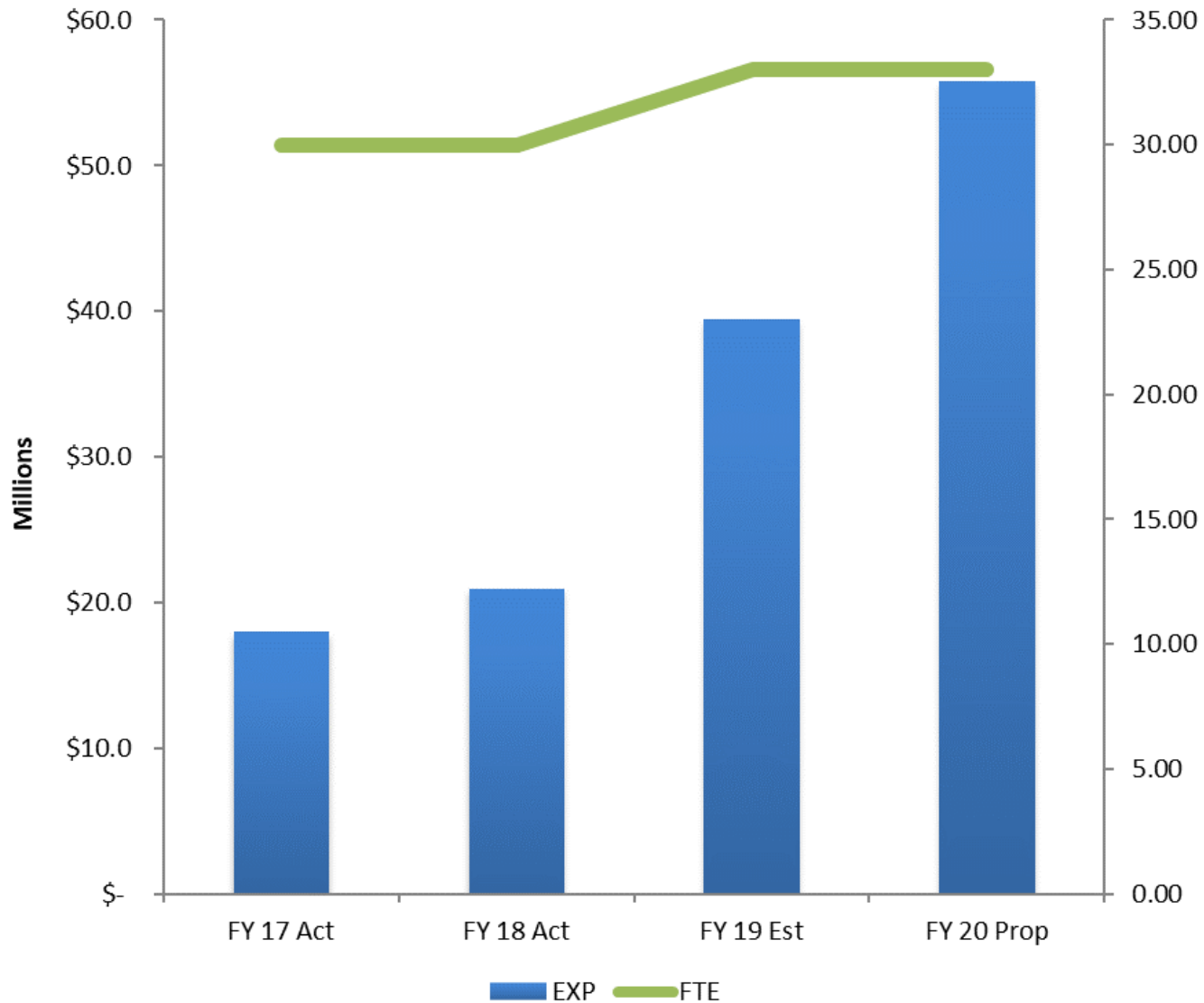
# Department Budget Review

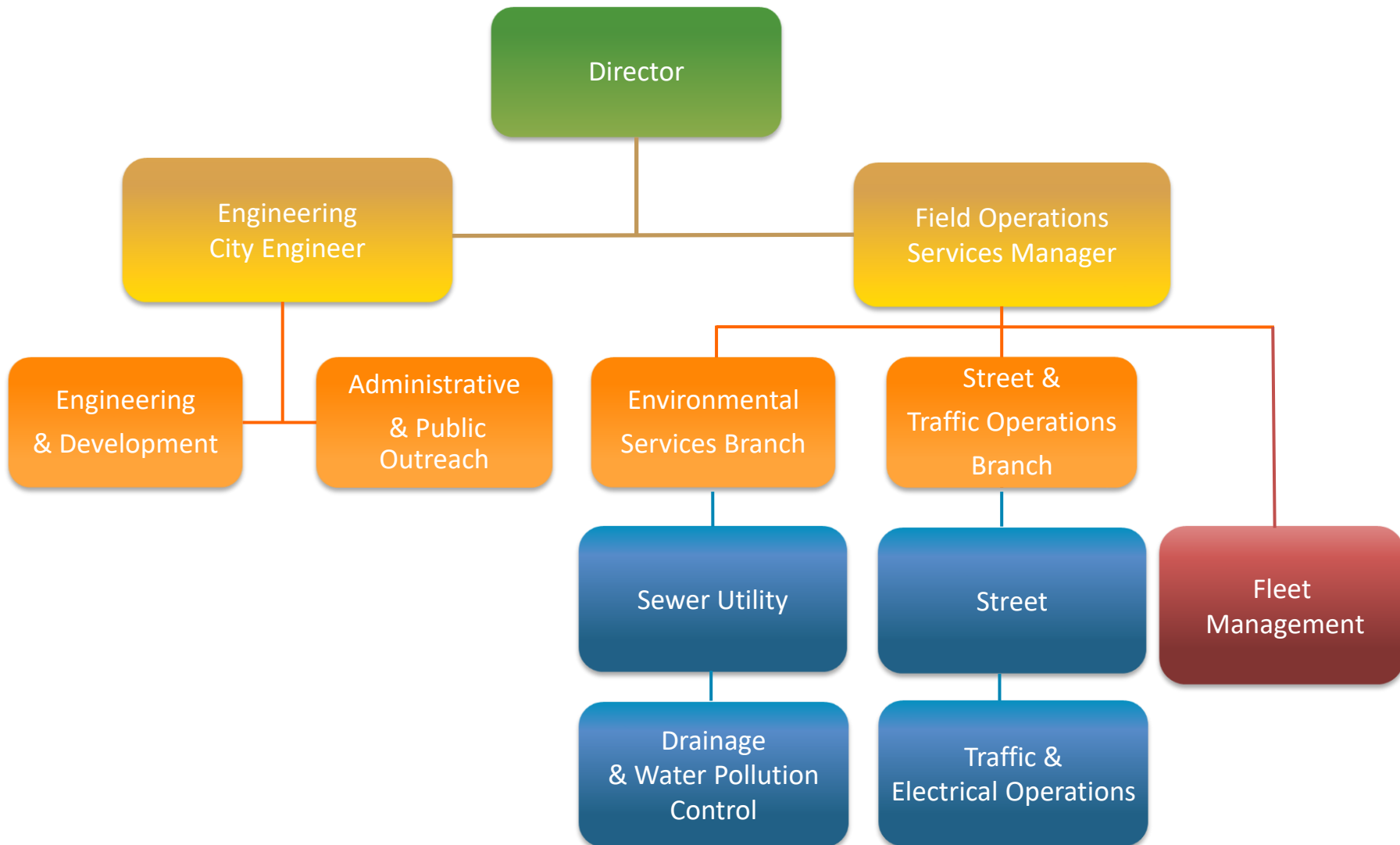
## Public Works Department



# Public Works Department

## Total Expenditures & Staffing Trends





# Public Works Department

## Key Responsibilities

### Infrastructure

- Capital Improvement Plan
- Development Reviews
- Public Improvements
- Asset Management
- R/W ADA Compliance
- Regulatory Compliance

### Environmental Stewardship

- Trash Load Reduction (NPDES/MRP)
- Creek Stewardship
- Water Pollution Prevention
- FOG sewer inspections
- Reduce I/I
- Creek and trash hotspot clean-up
- Education and Outreach
- Multi-modal transportation
- Solid Waste, Recycling and Compost Services
- Commercial and Industrial Facility Inspection
- Regulatory Compliance Reports

### Operations

- **Sanitary Sewers**
  - 85 miles pipes
  - 5 miles FM
  - 11 PS
- **Storm Drainage**
  - 26 miles pipes
  - 2 PS
  - 1400 SD Inlets
  - Creeks/Flood Control
- **Streets/Traffic**
  - 140 Ln/miles
  - Traffic Signals
  - 1,659 Lights (street, bike bridge, parking lot)
  - 3039 Signs
  - Bike Bridge
  - 43,200 Feet of Painted Curb
- **Solid Waste**
  - 69 Full Capture Trash Devices
  - F.A. w/ Recology
- **Fleet**
  - 106 Veh/Equip
  - Fuel Mgmt/Dispensing System



# Public Works Department

## Contribution to City Council Priorities

- Ralston Corridor and Improvements
  - ✓ Ralston & South Road Signalization Completed
  - ✓ Design of Segments 1 & 2 Completed
  - ✓ Ongoing Design for Segments 4 & 5
  - ✓ Ongoing Ralston Safety and Circulation Project (Roundabout Feasibility Study)
  - ✓ Corridor-wide traffic signal system upgrades
- ADA Transition Plan
  - ✓ Ongoing development
- Alameda de las Pulgas Corridor
  - ✓ Selection of Design Consultant Underway
- Pavement
  - ✓ Completed 2018 Slurry Seal Project
  - ✓ Design of 2019 Pavement Project Phase I completed
  - ✓ Ongoing design of 2019 Pavement Project Phase II
  - ✓ Ongoing design of 2020 Pavement Project
  - ✓ MTC 2019 Pavement Assessment Grant
- Belmont Village Specific Plan (BVSP) Implementation
  - ✓ Ongoing development of Transportation Demand Management Plan
  - ✓ Transportation Impact Fee Study
- Solid Waste Franchise Agreement



# Public Works Department

## Major Accomplishments - Infrastructure

### Completed:

- ✓ Ralston Sewer Rehabilitation Project Phase II
- ✓ Sewer & Water Improvement Project (Joint Project with MPWD)
- ✓ Ralston Retaining wall Project
- ✓ Shoreway Sewer Rehabilitation Project
- ✓ Ralston & South Road Signalization Project (CSUS)
- ✓ 2018 Slurry Seal Project

### In Progress:

- ✓ Ralston Corridor Segments 1, 2, 3 & 4
- ✓ Ralston Safety and Circulation Project
- ✓ North Road Pump Station Replacement
- ✓ Alameda de la Pulgas Corridor
- ✓ Ralston & Tahoe Signalization Project (BRSSD)
- ✓ 2019 Sewer Easement Project
- ✓ Measure I Storm Drain Project
- ✓ 2019 Pavement Project Phase I



# Public Works Department

## Other Noteworthy Projects

- ✓ Sewer and Water Rehabilitation Project – Completed
- ✓ Ralston Sewer Rehabilitation Project-Phase II – Completed
- ✓ Shoreway Sewer Replacement Project – Completed
- ✓ Ralston Retaining Wall Project – Completed
- ✓ Measure I Storm Drain Rehabilitation Project – Construction This Summer
- ✓ North Road Pump Station Replacement – Design Underway
- ✓ MRP Permit Activities (Water Quality Permit Activities)



# Public Works Department

## Major Accomplishments - Operations

### Streets/Traffic Ops

- ✓ Maintain and repair the City's 3,000+ regulatory, warning and guide signs
- ✓ Maintain and repair traffic signals at six City-owned intersections
- ✓ Maintain roadway striping, 43,000+ feet of painted curb, six lighted crosswalks
- ✓ Maintain and repair 140 lane miles of streets, Filled 792 potholes, Sealed 67,000 linear feet of pavement cracks  
Placed 508 tons of asphalt for road repairs



### Engineering

- ✓ 271 Permits issued
- ✓ 1,106 Permit /Code Inspections
- ✓ 2 Grant applications submitted

### Fleet Management

- ✓ Completed 450+ preventive maintenance and repair work orders





# Public Works Department

## Major Accomplishments - Operations

### Sewer Utility

- ✓ CCTV'd 97,213 ft of sewer mains
- ✓ Cleaned 356,342 ft of sewer mains
- ✓ Root foamed 45,774 ft of sewer mains
- ✓ Responded to 225 calls for lateral blockages
- ✓ Refurbished three sewer pumps
- ✓ Completed 3,490 Work Orders

### Drainage & Water Pollution Control

- ✓ Maintain 69 full capture trash devices with 345 inspections completed
- ✓ CCTV inspected 3,438 ft of SD lines
- ✓ Swept 3,079 curb miles; removing 421 tons of debris
- ✓ Performed 52 on-land trash cleanups
- ✓ Performed 12 trash hot spot cleanups
- ✓ Inspected 1,500 storm drain inlets/manholes
- ✓ Completed 1,909 Work Orders



# Public Works Department

## Objectives

### I/E

- **Measure I Implementation**
- Execute the CIP
- **BVSP multimodal transportation plan**
- Facilitate the Completion of the ADA Transition Plan

### S/T & EO

- Continue w/ preventative maintenance of our roadway system
- Be responsive to service calls
- **Maintain City's r/w assets**

### SU

- Maintain an aggressive sewer cleaning and inspection program.
- **Strive to maintain a low number of SSO's (both Public & Private).**
- **Reduce I/I**
- Implement a manhole/frame replacement program.

### FM

- Ensure on-road and off-road emission compliance
- **Continue to provide the City w/ safe and reliable vehicles/equipment in a cost-effective manner.**

### D & WPC

- **Comply w/ the Long-Term Trash Load Reduction compliance (80% reduction of trash) in the municipal separate storm sewer system by 2019.**
- Meet our Enhanced street sweeping goals per our MRP goals
- Maintain an aggressive storm cleaning and inspection program.
- **Meet MRP/NPDES Requirements**

### SW

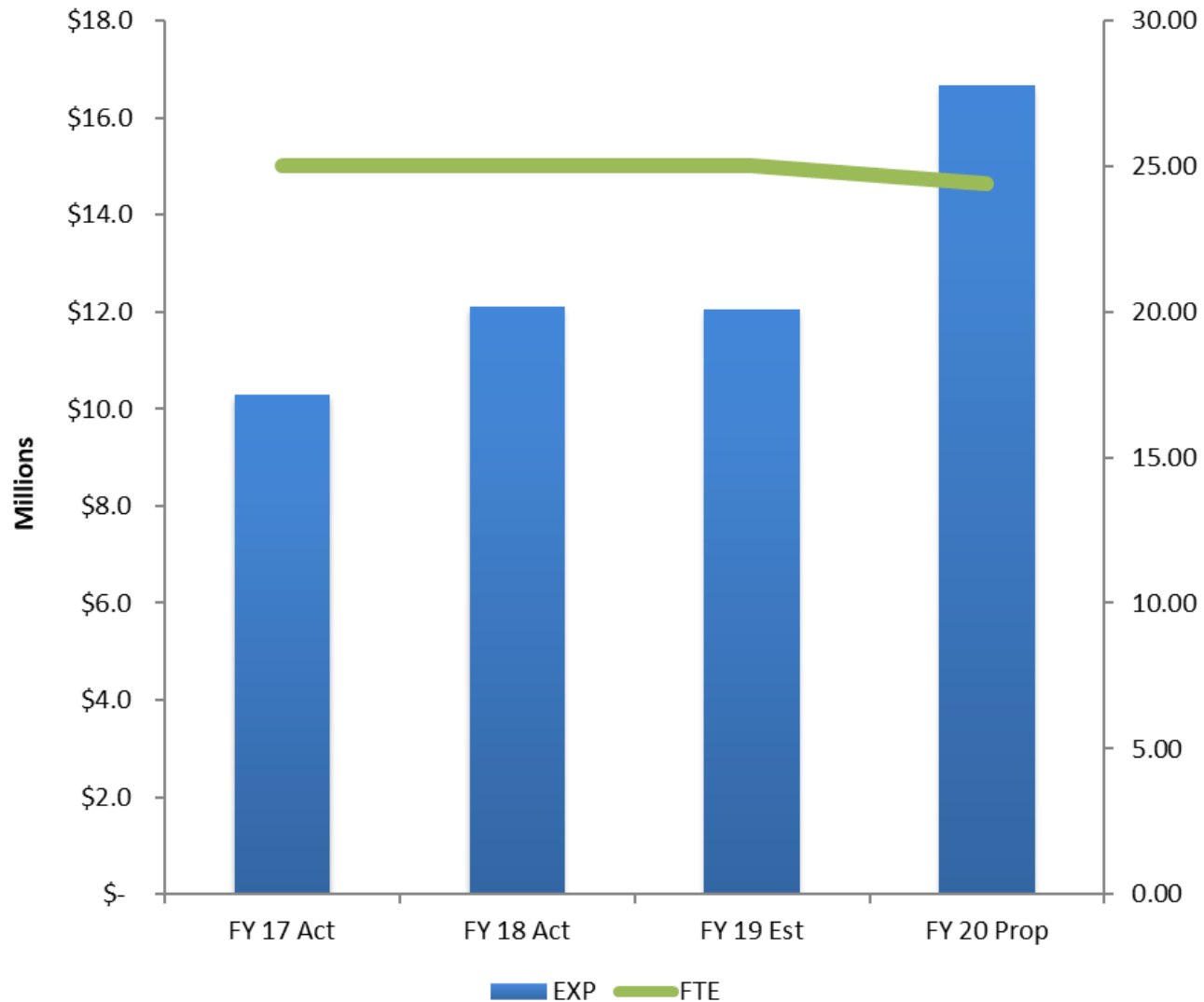
- Ensure meeting successful implementation of AB341 Mandatory Commercial Recycling goals
- **Effective management of Franchise Agreement and Rethinkwaste (SBWMA) JPA**

# Department Budget Review

## **Administrative Departments**

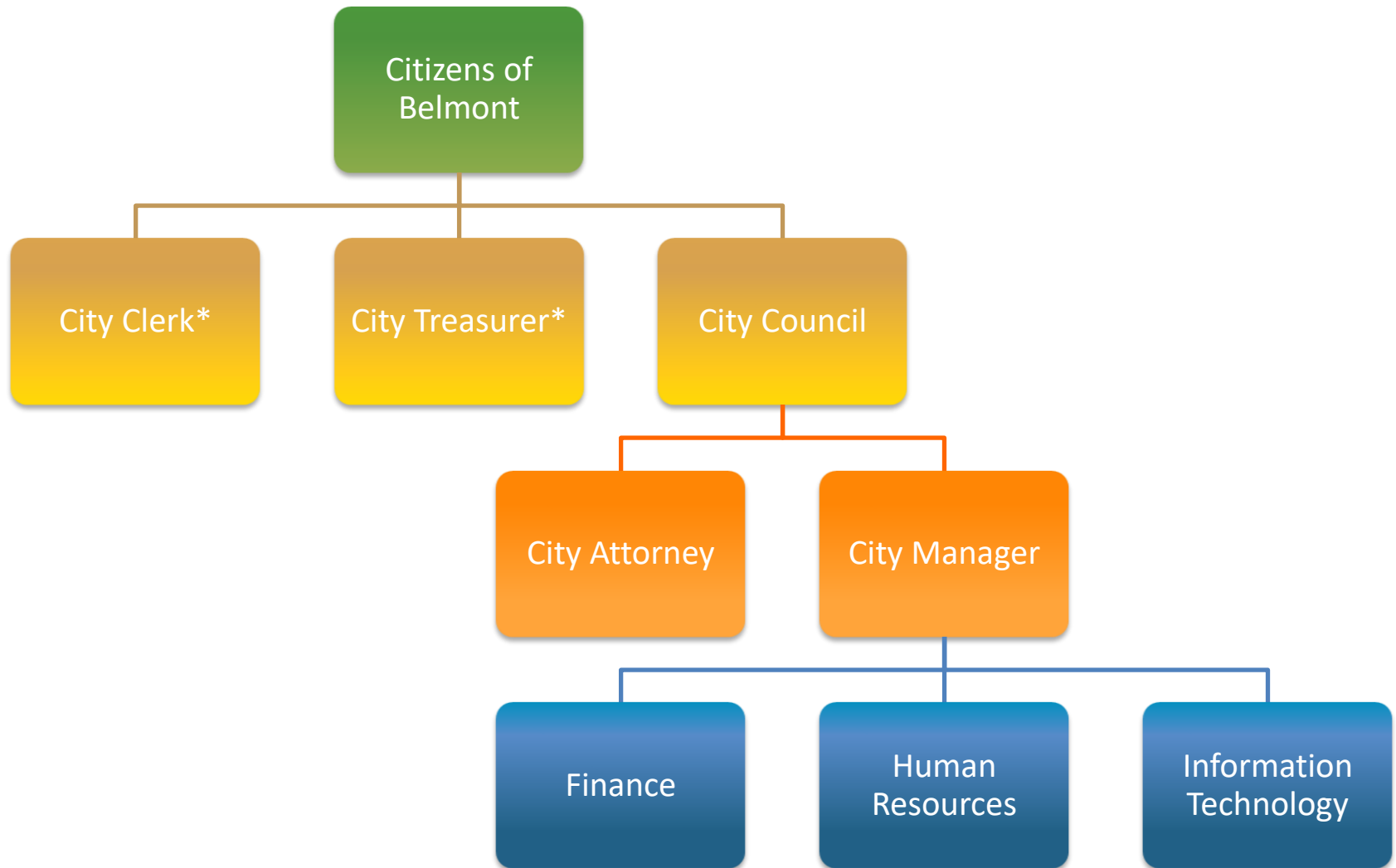
# Administrative Departments

Total Expenditures & Staffing Trends





# Administrative Departments



\* Office of City Treasurer and City Clerk were made appointive rather than elective effective November 5, 2019

# Administrative Departments

## Key Responsibilities

### City Manager's Office

- Chief administrative and policy advisor
- Assures City's services are performed well
- Guides budget process
- Supports Council Strategic Planning and Priority Process
- Fosters inter-governmental collaboration with neighboring cities
- Promotes and organizes civic engagement to connect residents with local government
- Coordinates Council agenda preparation

### City Clerk's Office

- Maintains vital permanent City records
- Provides research support to staff and public on previous legislative actions of City Council
- Processes public record information and requests
- Post/Publish agendas & public hearing notices as prescribed by applicable law
- Manages Council packet & preparation of Council minutes
- Elections Officer
- Management of required Ethics Training and Form 700 Statement of Economic Interest filings for elected and appointed officials
- Maintains City Code

### Finance Department

- Chief financial officer
- Performs financial management (financial planning, accounting, and reporting), treasury management, debt management, and risk management for the City of Belmont, the Belmont Successor Agency, Belmont Fire Protection District, and other agencies.

# Administrative Departments

## Key Responsibilities

### Human Resources

- Recruitment and Selection
- Benefits Administration
- Compensation and Classification
- Disciplinary process; grievance management; and labor contract negotiations
- Training and Development
- Labor Law Compliance
- Discrimination/Harassment Complaints
- Employee Safety, Wellness and Workers' Compensation
- Succession Planning

### Information Technology

- Manage IT and telecommunications systems
- Network and systems management, including software licensing
- Manage IT & GIS Strategic Plan/Roadmap
- Maintain Disaster Recovery/Continuity Plan
- Maintain effective cybersecurity
- Oversee Intranet/Collaboration Site
- Manage City Website

### City Attorney's Office

- Chief legal officer
- Provide unbiased legal advice
- Ensure legal compliance

# Administrative Departments

## Contribution to City Council Priorities

- City's web presence and civic engagement capabilities (IT)
- Volunteers/Citizens Academy (HR)
- Housing program assessment and deployment (FN)
- Financing Plan for Infrastructure and Services (FN)
- Economic Development (CM/FN)
- Fire Facilities and Wildland Fire Mitigation (CM)
- Shared Economy (CM)
- Communication, Public Information and Social Media (CM)
- Solid Waste Franchise Agreement (FN/CA)
- City Council and Commission Training (CA)

# Administrative Departments

## Major Accomplishments

- ✓ Operational start of SMCFD Fire JPA and winddown of Belmont Fire Department
- ✓ Initiated recruitment of City Manager
- ✓ Efficient recruitment & selection process
- ✓ Decreased cost & claims in Workers' Compensation Program
- ✓ Balanced Budget and Increased Fund Reserves
- ✓ Received award recognition on financial audits
- ✓ Issued timely debt financing
- ✓ ADA/Customer Service improvement-City Hall completed
- ✓ General Plan and Zoning Ordinance Amendments
- ✓ Information Technology Planning, Implementation, and Upgrades of:
  - ✓ Enterprise Asset Management (EAM) System Implemented
  - ✓ GIS infrastructure industry standard alignment
  - ✓ HRIS SaaS project launched

# Administrative Departments

## Objectives

### CM

- Emphasize Controlled Spending
- Strive to continue to provide quality City services
- Implement sustainability objectives
- Implement Council priorities

### CC

- Refine citywide records retention & destruction procedures, automated agenda system and electronic documents management program
- Restructure City Code to include Zoning so that all local regulations are in one searchable format

### FN

- Safeguard assets and ensure sufficient funds are available to meet obligations
- Promote virtualization of services through technology
- Establish housing program priorities
- Develop plan for funding infrastructure

### HR

- Develop innovative recruitment strategies
- Collaborate with Department Heads on Succession Planning/organizational level.

### IT

- Enterprise Architecture Review
- Audio system upgrade in Council Chambers
- Permitting system upgrade/online payments
- Human Resources Information System (HRIS)

### CA

- Continue assessing ongoing legal needs and manage the delivery of legal services
- Assist Departments in realizing their goals
- Protect the City from unnecessary exposure from loss

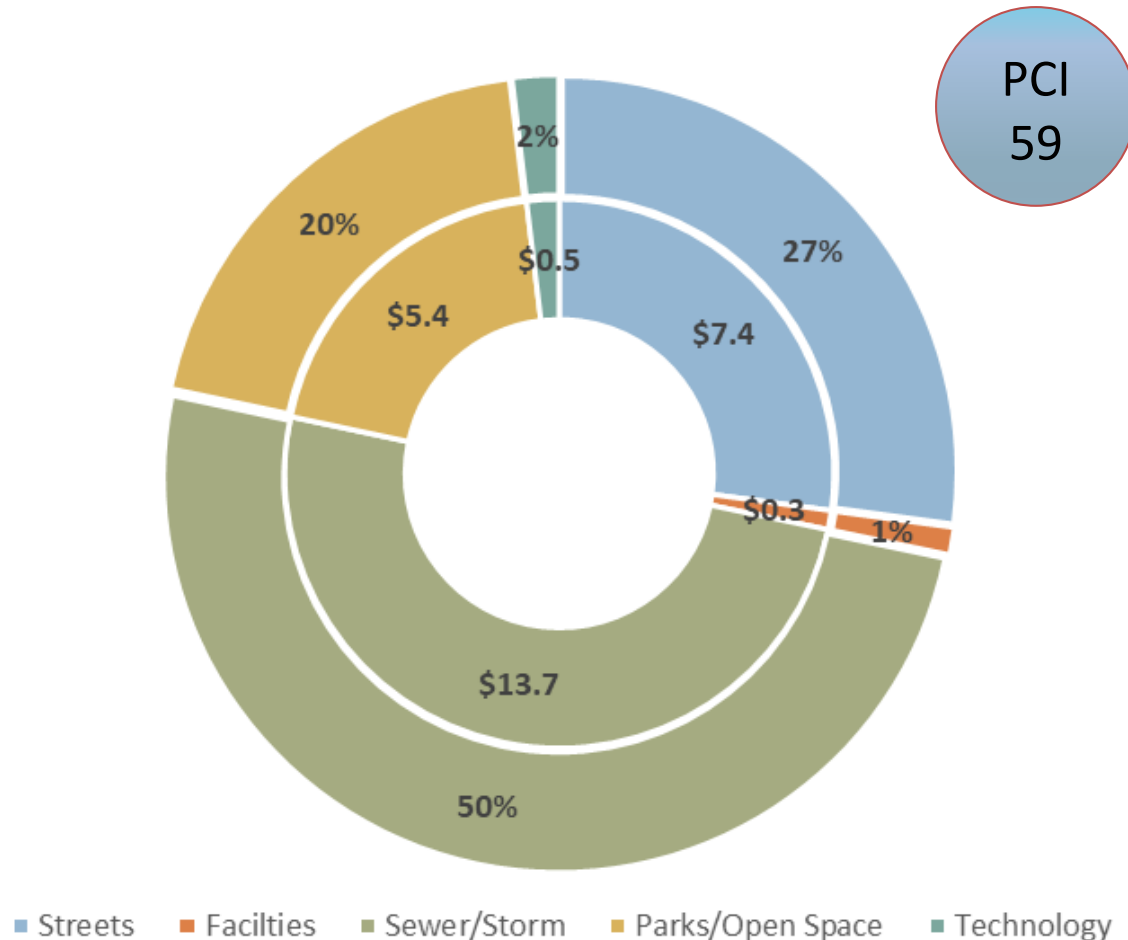
# **Capital Improvement Program**

# Capital Improvement Plan

(in millions)

5 year CIP-\$75.8M

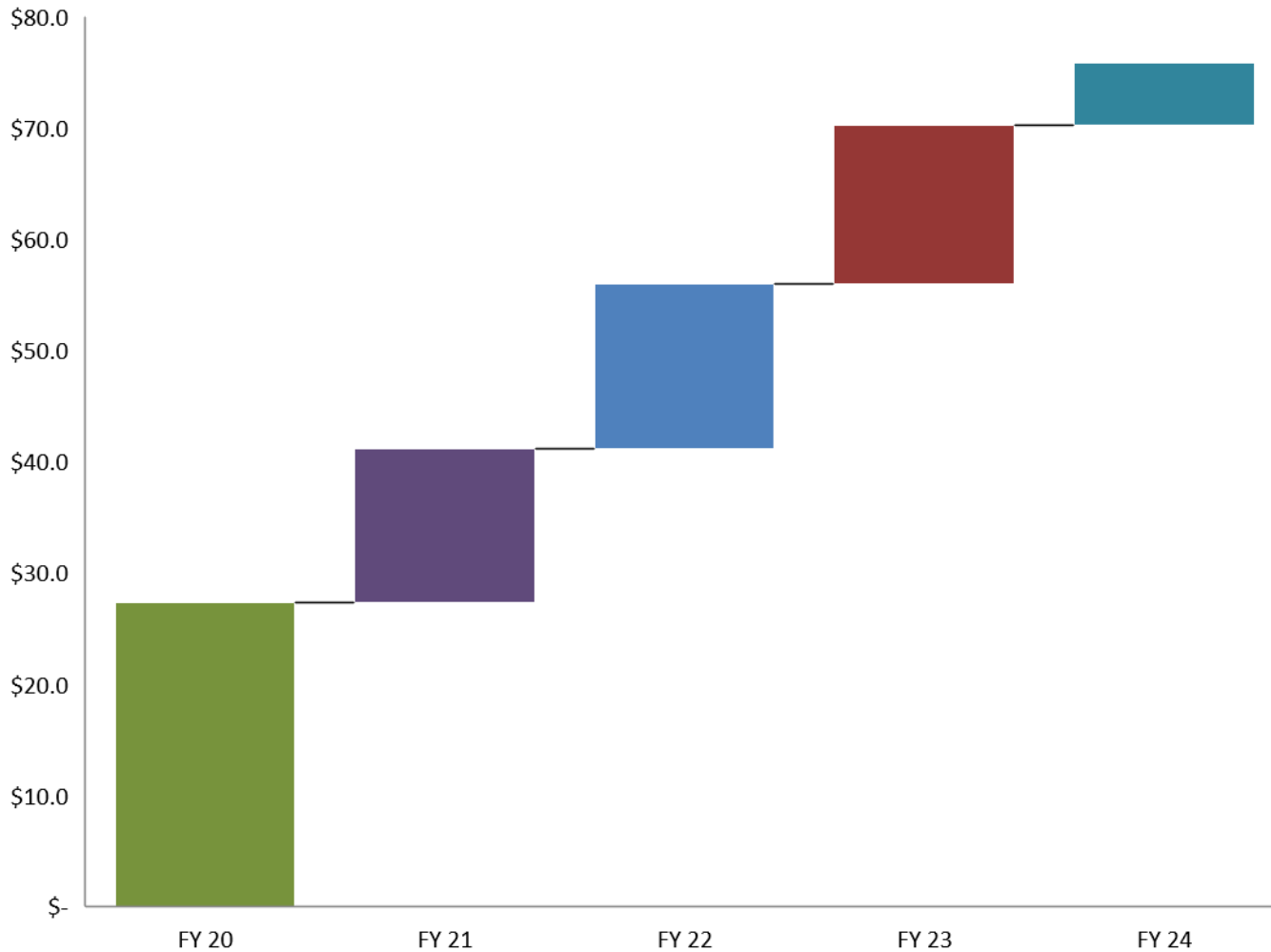
FY 2020 CIP-\$27.3M





# Projected Capital Outlay

(in Millions)



## Next Steps

# Audit Committee Input

- Special Meeting on June 6<sup>th</sup> to review the proposed FY 2020 Budget and make recommendation to Council, including policy considerations
- Report to Council June 11<sup>th</sup>

- Questions and answers
- Give direction
- June 11<sup>th</sup>
  - Audit Committee Report
  - Adopt budget
  - Financial policies
  - Fees
    - Targeted Studies for Residential Design Review and MRP Business Inspections
- Other actions
  - Gann Limit Review

